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ABSTRACT

This discussion highlights the findings of the National Employer Supported Child Care Project, which was conducted in 1981 by the Administration for Children, Youth and Families and the Child Care Information Service (of Pasadena, California). Statistics are also cited on the increasing general demand for child care, especially for children under age 3. Among the project findings summarized are data on employers who provide day care, the sorts of programs they provide, and the characteristics of program users. About half of the 415 firms reported benefits such as reduced turnover and absenteeism, improved productivity, enhanced recruitment, and improved public relations. While these reports are based on anecdotal evidence, corroborating evidence from current studies is mentioned. The future direction of employer supported child care is discussed in terms of five major trends: (1) decentralization of planning, which may produce integrated child care systems tailored to the needs of individual communities; (2) greater flexibility in personnel policies, which may provide greater options for parents; (3) flexible benefits programs, which may include child care; (4) growing national awareness of work/family issues, which may be translated into more sophisticated child care systems; and (5) continuation of the federal government's role in creating tax provisions and disseminating information that will facilitate employers' child care efforts. (CB)

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EMPLOYER SUPPORTED CHILD CARE: WHERE ARE WE AND WHERE ARE WE GOING?

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EMPLOYER SUPPORTED CHILD CARE: WHERE ARE WE AND WHERE ARE WE GOING?

Patricia Divine-Hawkins

The social context for child care is changing rapidly as the traditional balance between work and family life is being realigned. It is this fundamental systemic change in our society which provides the thrust for employer supported child care.

I remember well my first experience with employer supported child care of sorts. Back in 1963 when my husband and I were young kids at the University of Washington, we had our first baby. Since we earned only $1.10 an hour for 20 hours a week, we simply could not afford both child care and a university education. So young Helmut went to school every day in a huge carriage where he lived for the first 7 months of his life. The librarian gave us her soundproof room for crying time, the cooks in the cafeteria stored and heated bottles, professors helped with flexible assignments and exams, and of course there was always another student or young instructor who enjoyed playing parent for an hour or two.

Only recently, with another new baby in the family, I found that the child care situation had really not changed. I could not afford to leave my job for any length of time without sacrificing important professional responsibilities and goals. At the same time, I really could not leave my newborn for long hours each day and still have what I felt were fundamental and essential experiences for both of us. We needed to have nursing time, holding time and just time to grow together. So Pia moved into the office and we spent a grueling first year trying not to sacrifice the research projects at work, the baby, the mother, the father, the sister and brother, or indeed the family as a whole.

In 1963, I was the only young woman I knew who was trying to be a full time mother and a full time worker. Now this is a common experience. In most of the offices I visit around the country, I see wicker baby baskets under desks, cribs and playpens next to the Xerox machines and two year olds scooting around the halls on their kiddy cars. At a recent conference on employer supported child care in Phildelphia, Jim Coyne, who is heading up the White House Initiative in Child Care also observed in his keynote address the prevalence of 4-year olds wandering in and out of corporate board rooms.

When we look at the national statistics, we find that unprecedented numbers of mothers with young children are indeed working. This is true of all women, regardless of marital status, age of children or ethnic background. It is true of the middle class as well as the poor and occurs in all parts of the country.

- The dual career family has become the dominant mode, with 60 percent of American families now in this category.

- Over the past decade, the number of single parent families--most of them headed by working mothers--has doubled to 6.6 million or about 20 percent of all families nationally.

- Mothers with preschool children represent a large and growing segment of the labor force. In 1950, only 12 percent of mothers with children less than six years of age were working; by 1982, 50 percent were employed. Most of these mothers work full time.

- Not only are there more women with young children working today, but they are entering or returning to the labor force earlier after the birth of a child. The proportion of mothers in the labor market with a child under three has increased by 12 percent from 34 to 46 percent since 1975. Among women with a child under one year, nearly a third of married women and 40 percent of single mothers are working.

- Women, like men, work primarily out of economic need. Nearly two-thirds of women in the labor force are single, widowed, separated, divorced, or married to men earning less than $10,000 a year.

As one would expect, this surge of mothers into the labor force has created a spiralling demand for child care.

- In March, 1982, there were 18.5 million children under six years of age in the United States. Of this number, 8.5 million, or 46 percent, had working mothers. Census projections indicate that there will be over 10 million preschoolers with mothers in the labor force by 1990.

- In 1981 there were an estimated 16 million children aged 5-13 whose mothers work. Many of these children, known as "latch key" children because of the house keys they wear around their necks, have no supervision before and after school or during their holidays.

- Children in single parent homes are particularly affected by the trends in female labor force participation. The percentage of children in single parent families has increased over the past decade from 12 percent in 1970 to 20 percent in 1981.

In the face of rapidly changing social structures, we see that the child care market is not structured to respond easily to increasing demand.

- Costs are frequently high and facilities may not be located in areas which are accessible to working parents.

- Many communities have an insufficient supply of child care to meet existing demand. This is particularly true for infants and toddlers, who have not previously needed child care in large numbers, and for school age children, for whom age appropriate care options are largely lacking in most communities.

- Where sufficient supply does exist, it is often invisible to parents. The various components of the child care market -- day care centers and nursery schools, family day care homes, in-home providers -- are rarely well coordinated or organized into integrated community child care systems.

Labor force participation of women and demand for child care will continue to increase.

- The demographic trends reflecting women in the workplace are expected to continue through the end of the century with the greatest growth in labor force participation most likely to occur among mothers with children under three.

- By 1990, nearly half of the total labor force will be women, 80% of whom will become pregnant at least once during their working years. Increasing employment rates for this group will continue to reflect economic needs among young families, changing career aspirations of women and a recent increase in birthrates which is projected to continue into the 1990's.

- Many of the children have already been born who will need child care during the eighties.

It is increasingly clear that child rearing responsibilities do affect parents' working lives. Moreover, the proportion of families where all adults work has grown so large that a fundamental shift in our social structure has occured. Child care is central to the many issues having to do with how work and family life can be structured to balance competing demands as well as to meet the needs of employers, parents, children, other family members and the community as a whole.

In response to these fundamental changes in the nation's work force, the business community is beginning to show an increased interest in child care, both as an employee benefit or community service and as a possible vehicle for achieving company goals.

To help support employers in their child care efforts, the Administration for Children, Youth and Families (ACYF) entered into a cooperative agreement with the Child Care Information Service (CCIS) in Pasadena, California, to conduct the National Employer Supported Child Care Project in 1981. This project provides up to date information about what firms are involved in child care, what types of programs they have, and how they benefit from their child care activities. CCIS has also developed materials to help other employers explore whether some sort of child care program might make sense for their company and if so, what options might be most appropriate.

To help insure that findings and materials would be useful to employers, we put together a national advisory council composed of representatives from major corporations, business associations, employee unions, and employer supported child care programs. This group assisted us at every stage of the work.

Results of the project have been published in a book entitled Employer Supported Child Care: Investing in Human Resources. This book is written for business audiences but we expect it will also be valuable to child care people who are trying to assist employers in the local communities. The book provides extensive information on all aspects of employer supported child care covered in this project. Copies can be obtained from Auburn House Publishing Company, 14 Dedham Street, Dover, MA 02030.

The findings I am going to report today are based on the actual experiences of 415 firms who were identified in the national employer supported child care project.

First, employer supported child care really is growing and growing at a rapid rate although the total number remains very small, accounting for less than 1% of the child care in this country.

- In 1978 Katherine Senn Perry located 105 employers with child care programs, all of them centers. In our study 415 employers were identified. This represents an increase of nearly 400% in 5 years. Parenthetically, I might add that the total number since our research was conducted has increased to over 600 firms.

- Nearly half (197) are industrial firms, representing the group with the highest rate of increase since 1978 when only 9 industrial employers had child care programs. The second largest increase has occured in health care organizations which also accounted for nearly half of all programs in 1982. We also found a few child care programs sponsored by public agencies and labor unions.

- Most programs in operation today are less than 5 years old, with nearly a fifth less than a year old at the time of our survey. Nonetheless, a number of companies do have programs of long standing. Sixty companies, representing 14 percent of the total, had child care programs which had been in operation for more than 10 years.

- Employer supported child care appears in nearly every state but is most heavily concentrated in California, Florida, Illinois, Massachusetts, Minnesota, Missouri, New York, Ohio, Pennsylvania, Texas, Wisconsin and the District of Columbia.

  As might be expected, companies which support child care tend to have a heavy concentration of women in the work force. In these companies, on average, nearly three quarters of the employees are women.

- Nonetheless, both male and female employees avail themselves of the service. Very few companies reported than no men utilized the child care service whereas in over half of the firms, men accounted for a substantial proportion of the users.

In the past few years, child care has been widely promoted as a vehicle for achieving a company's goals in addition to providing an employee benefit. Although child care itself is generally not viewed as a profit making venture, many employers in our study have found that child care can indeed enhance their primary business activity.

- About half of the employers in this study reported benefits to the firm in reduced turnover and absenteeism, improved productivity, enhanced recruitment and improved public relations and community image.

- Many of the others who did not report benefits indicated that their programs were too new to show results or that their programs did not readily lend themselves to this type of analysis. For some companies these types of corporate benefits were really not a goal of the program and therefore records were not kept. Virtually none of the employers reported bad effects as a result of their participation in a child care program.

- Most of the data on benefits in this study are based on anecdotal evidence. Very few employers had precise data on the degree to which turnover or absenteeism had been reduced Very few had any good figures on productivity gains. Of those reporting benefits, only about 20 firms had attempted to gather hard data in these areas. Nonetheless, anecdotal evidence can be an important indicator that something really is happening which warrents further investigation.

- We are also beginning to see a convergence of evidence on this question. For example, one other national study, conducted by Renee Magid at Beaver State College, is also showing that employers believe child care is to their benefit as is another study conducted by Hay-Huggins, a Philadelphia firm specializing in employee benefits.

- A new ACYF project being conducted in Portland, Oregon by the Portland State University is also beginning to show evidence that workers with young children, particularly women, do report higher rates of absenteeism, work interruptions work/family stress and other variables. In the Portland project we are conducting surveys among 33 companies and over 8,000 employees. Because of the large data base being accumulated and the wide diversity of employers and employees included in the study, we expect to greatly increase our understanding of the complex relationships between child care variables and work place behaviors. We are also beginning to understand a good deal more about aspects of corporate structure and corporate culture which relate to these types of questions. This study will be completed in 1984.

- The congruence of findings from several studies may be an important indicator that child care can indeed yield substantial benefits for employers. Different studies of different populations using different research techniques which produce similar findings are often more powerful taken together than any of them alone, since they provide a more complete perspective and help to diversify the bias which is enherent in this type of research.

We have seen that employer supported child care is increasing and that these programs appear to offer some advantages for employers. But what kinds of programs are they?

- About half (211) are on-site or near site centers which serve children of all ages. Over four-fifths of these centers serve infants. Employers are also beginning to accomodate school age children, another population which is greatly underserved in the child care market. In this study, about 40% of the on- or near-site centers served school age children. All of the centers served children aged 3-5, the age group most frequently found in day care centers nationally.

- Another large group of employers -- about a quarter of our sample -- support existing child care centers within the community through employee vouchers, through grants to community child care planning or advocacy groups, through contracting for child care slots or special services, and through various kinds of donations.

- The remainder of employers support child care information and referral, parent education, and family day care systems. Although family day care is the most prevalent form of out of home care in the united States it is not yet widely utilized by employers.

I have attempted to provide you with a very brief overview of the current status of employer supported child care. More findings are presented in greater detail in the forthcoming book. What I would like to do now is to share with you some of my thoughts on where employer supported child care may be going in the future.

First, as a country we are moving toward greater decentralization in many areas with planning and decision making increasingly concentrated in the local communities. One outgrowth of this trend is likely to be the emergence of integrated child care systems which are tailored to the needs of individual communities. This restructuring of the child care market will involve the efforts of many different actors and constituencies as child care impacts more forcefully on community well-being and as more types of individuals and organizations define themselves as stakeholders in this service. We will see more partnerships between the public, private, and voluntary sectors and these partnerships will likely be of greater magnitude and scope than in the past. Employers are sure to play an important role in this transformation. In several communities significant partnerships are already being forged to begin paving the way for integrated child care systems. In New York, Orlando, and Portland, Oregon, for example, employers are joining with other members of the community to help underwrite some aspects of the larger child care system.

A second major trend with implications for employer supported child care lies in the movement toward greater flexibility in personnel policies. Such arrangements as flextime, flexible leave policies, parttime work, job sharing, and at-home work, all appear to be viable options for many parents in the very near future. The New York Telephone Company has been experimenting with having managers work at home for two days a week. This project is showing productivity gains for the telecommuters, and other companies will join in a major study of the benefits of telecommuting this year. Some experts are estimating that within three years, five million people, or five percent of the workforce will work at home in what Toffler calls their "electronic cottages" for 2-3 days a week. This trend obviously carries tremendous implications for working families with child care needs.

A third major trend has to do with employee benefits. Flexible benefits programs are beginning to receive serious attention as a result of the need for cost containment in health care and other benefit areas, along with growing recognition that different workers have different needs. There is also growing awareness of the fact that our dependent care needs will substantially increase over the next generation as the elderly account for a larger proportion of the

population and as more mothers enter the labor force. While child care will not drive the flexible benefits movement, it does lend itself nicely to this concept and may be incorporated into many employee benefits programs. However, this will happen only if employees themselves make it clear that this type of benefit is a priority for them.

Fourth, the nation as a whole is becoming better informed about work/family issues and possible solutions to these dilemmas. This will help give rise to sophisticated programs which are more responsive to the needs of employers, employees, children and the community. However, The degree to which employer supported child care continues to develop in more creative and appropriate ways will in large part depend on the ability of the child care community to understand local patterns of need, demand, supply, and the relationship of workplace behaviors to these other factors. It will further depend on the ability of program developers to translate this information into policies and programs which --once again --make sense for individual employees, individual employers and individual communities.

Finally, I would like to say that the Federal government is considering ways to continue playing a facilitative role in the development of employment supported child care. There are now a range of tax provisions which make it easier for employers to provide child care for their employees or in other ways to become involved in community child care programs. The Administration recently endorsed an increase in the child care tax credit for lower income working parents which can help lighten the load for employers who subsidize the cost of child care for their employees.

Over the past several months, the Administration for Children, Youth and Families has provided support to the White House Private Sector Child Care initiative. We will continue to cooperate with the White House in a series of forums for Chief Executive Officers to encourage child care initiatives in the private sector. We are also engaged in a number of research and demonstration projects which should provide new information on benefits to employers and viable child care options. In FY 1984, we expect to fund additional grants focused on employer supported child care through the HDS Coordinated Discretionary Grants Program.